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S E C R E T STATE 018873

NOFORN,SIPDIS

E.O. 12958: DECL: 02/05/2034
TAGS: [PARM](#) [PREL](#) [ETTC](#) [SY](#) [IN](#)
SUBJECT: SHIELD S04D-08: PREVENTING INDIAN FIRMS FROM
CIRCUMVENTING EXPORT CONTROLS

REF: A. NEW DELHI 26
[1](#)B. 08 STATE 135408

Classified By: SCA Acting DAS Michael Owen for reasons
1.4 (b), (c), and (d)

[1](#)1. (U) This is an action request. Please see paragraph 6.

BACKGROUND

[1](#)2. (S//NF) The U.S. would like to continue the dialogue we initiated with the GOI regarding Syrian efforts to procure Australia Group-controlled chemical production equipment for its chemical weapons program (Ref B). This equipment is also controlled by India. According to Ref A, GOI export control officials are inclined to wait until the Indian firms Goel Scientific Glass Works Pvt. Ltd. and Garg Scientific Glass Industries apply for export licenses before intervening in this matter. The GOI also requested additional information about the Syrian Scientific Research Center (SSRC). Goel has a history of evading Indian export controls through the use of front companies and misleading packaging, so the U.S. is concerned that the GOI may never even see a license application for these dual-use items.

[1](#)3. (SBU) Given the serious proliferation risks of this potential transfer, the GOI needs to be more proactive in enforcing its export control laws and regulations, including its 2005 Weapons of Mass Destruction Act. Specifically, the GOI should conduct an industry outreach visit to both firms to remind them of their export control obligations and provide them with information on the GOI's Special Chemicals, Organisms, Materials, Equipment and Technology (SCOMET) list. The U.S. has successfully used industry outreach visits conducted by law enforcement agents from U.S. Immigration and Customs Enforcement and the Commerce Department to bolster export control compliance, discourage would-be proliferators, and build cooperative relationships with firms that produce strategic goods.

[1](#)4. (SBU) We encourage India to take all steps necessary to ensure that this transfer does not occur. India has a general obligation as a Chemical Weapons Convention State Party to never, under any circumstances, assist anyone in the development of chemical weapons. In addition, the Iran, North Korea, and Syria Nonproliferation Act (INKSNA) requires us to report to Congress transfers of goods, services and technology on multilateral control lists, such as the Australia Group, to these countries. Sanctions may be imposed against individuals and entities identified in such reports.

[1](#)5. (S//REL ISRAEL, UK) We understand that Israel and the UK have also previously demarched the GOI regarding Goel

and Garg. We believe coordinating a trilateral demarche will help maximize its impact on decision-makers in New Delhi, ensure a unified message, and minimize the duplication of effort.

ACTION REQUEST

¶6. (S//REL ISRAEL, UK) Department requests that posts in London and Tel Aviv inform appropriate host government officials of U.S. plans to demarche the GOI and deliver the points in paragraph 8 as a nonpaper. Request these posts urge host government officials to consider conducting a trilateral demarche in New Delhi. Department requests Embassy New Delhi coordinate at the highest available level with local representatives of Israel and the United Kingdom to deliver the points in paragraph 8 to appropriate senior-level Indian officials.

¶7. (S//NF) Please begin all responses with SHIELD S04D-08 and slug for ISN.

¶8. (U) Begin talking points/nonpaper for India:

(SECRET//REL INDIA, ISRAEL, UK)

-- In the spirit of our cooperation in preventing proliferation, we would like to provide additional information regarding the two Indian companies that may be planning to sell equipment to an end-user in Syria that could assist Syria's chemical weapons program. We would also like to provide more information regarding the Syrian Scientific Research Center (SSRC).

-- As you are aware, based on previous discussions, the SSRC is the Syrian government agency responsible for developing and producing weapons of mass destruction and the missiles to deliver them. While the SSRC has an overtly promoted research function, its activities focus substantively on the development of chemical and biological weapons, and we are concerned that the equipment mentioned previously may be diverted to the SSRC.

-- We understand that this equipment is controlled on your SCOMET list. We have concerns, however, based on past practice of these entities, that the companies in question -- the Goel Scientific Glass Works Pvt. Ltd. and Garg Scientific Glass Industries -- may attempt to circumvent Indian export controls by applying for export licenses under subsidiary company names.

-- In the past, we understand that at least one of these companies has circumvented Indian export regulations by shipping products through carrying and forwarding agents who then forwarded the products on to the recipient countries of concern. The packages were shipped in inner and outer containers concealing the ultimate destination.

-- We are concerned that either firm may attempt to circumvent Indian laws and regulations again.

-- When we raised this matter with MEA officials recently, we learned that no export control license has been received for such an export to Syria. We encourage you to take preventive measures now, prior to receiving an export license application, to ensure that such an export does not take place.

-- We have found that conducting industry outreach visits are an effective method of dissuading firms that might consider engaging in illegal export activities. They are also an opportunity to provide firms that manufacture, sell or export controlled goods with information on export laws, control lists and procedures.

-- Industry outreach visits also provide an opportunity to encourage industry to help enforcement export control rules

by reporting suspicious export inquiries to the government.

-- Moreover, as State Parties and supporters of the Chemical Weapons Convention (CWC), it is our common obligation never under any circumstances to assist, encourage or induce, in any way, anyone, including states not party to the CWC, to engage in any activity prohibited to a State Party under the Convention.

-- We value our bilateral cooperation on nonproliferation matters and urge you to take all steps necessary to prevent entities in your country from assisting other countries' chemical or biological weapons programs.

-- We look forward to the Indian government sharing with us the results of its investigation into this matter.

End talking points.
CLINTON